



DEPARTMENT OF HEALTH & HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES
REGION IX

75 Hawthorne Street
Suite 408
San Francisco, CA 94105

MAY 05 2005

Anthony D. Rodgers, Director
Arizona Health Care Cost Containment System
801 E. Jefferson
Phoenix, AZ 85034

Dear Mr. Rodgers:

Enclosed is an approved copy of Arizona State plan amendment (SPA) 05-002, regarding methods for treating automobiles, household goods, and personal effects as resources under section 1902(r)(2) of the Social Security Act. I am approving this SPA with the requested effective date of March 9, 2005.

If you have any questions, please have your staff contact Ronald Reepen at (415) 744-3601.

Sincerely,

Linda Minamoto
Associate Regional Administrator
Division of Medicaid & Children's Health

Enclosure

cc:

Joan Peterson, CMS, CMSO, FCHPG
Cynthia Potter, CMS, CMSO, PCPG (two copies)

**MORE LIBERAL METHODS OF TREATING RESOURCES
UNDER SECTION 1902 (r)(2) OF THE ACT***

 Section 1902(f) State

 X Non-Section 1902(f) State

1. The following resource methodology applies to individuals covered in Section 1905(p) (QMB, SLMB, and QI-1) and, except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, aged, blind or disabled individuals covered in Section 1902(a)(10)(A)(ii)(I) of the Act:

All resources shall be excluded.

2. The following resource methodology applies to individuals covered in Section 1902(a)(10)(A)(ii)(V):
 - a. Rather than the disregards described at section 1613(d) of the Social Security Act, the following disregards are used:
 - Term insurance;
 - Burial insurance;
 - Assets that an individual has irrevocably assigned to fund the expenses of a burial;
 - The value of all life insurance when the face value does not exceed \$1,500 (total per insured individual) and the policy has not been assigned to fund a pre-need burial plan or declaratively designated as a burial fund;
 - Burial plot items as defined in 1613(a)(2)(B) of the Social Security Act;
 - At the time of the eligibility determination, \$1,500 of the equity value of an asset declaratively designated as a burial fund or a revocable burial arrangement when there is no irrevocable burial arrangement, and
 - If an individual remains continuously eligible, all appreciation in value of his assets will also be disregarded.
 - b. Disregard up to \$4,500 of the equity value of one automobile that is not excluded under 1613(a)(2)(A) in the resource eligibility determination.
 - c. ~~Disregard the value of oil, mineral~~ and timber rights in the resource eligibility determination.